



Clearwater, Idaho, Latah, Lewis & Nez Perce counties

ECONOMIC OVERVIEW

The Lewiston Metropolitan Statistical Area's seasonally adjusted unemployment rate increased to 3.3 percent in October from September's rate of 3 percent as shown in the labor force table for north central Idaho on page 31. In October 2006 the rate was 3.9 percent. Non-farm payroll jobs were up 100 from September 2007. A majority of the new jobs were created in government.

IDAHO AND LEWIS COUNTIES

- The Best Western Salmon Rapids Lodge in Riggins was named Best of the Best in Customer Care at Best Western International's annual North American convention held recently in Montreal, Quebec. "The Best of the Best Awards recognize those Best Western hotels that truly demonstrate the highest levels of quality and service," said Charles Helm, chairman

of Best Western's board of directors. "The Best Western Salmon Rapids Lodge represents a strong commitment to caring for our guests." Located on U.S. Highway 95, the lodge features 55 rooms, an indoor pool, outdoor spa, meeting room and two-story great room with fireplace and windows overlooking the confluence of the Salmon and Little Salmon rivers.

- A new business, Rocky Canyon Pellet Co. just outside of Grangeville, follows one of those rare kinds of business models that both economists and environmentalists promote. It takes sawdust waste from making lumber and turns it into wood fuel pellets that release less carbon into the air than other fuels. Plus, because of location, as little gas as possible is used in transportation. The sawdust comes from Bennett Lumber, located just 200 yards away. The pellets are sold wholesale to stores in the region, not

thousands of miles away. D&B Supply, Primeland, Moscow Building Supply, Orofino Builders and M&C Lumber in New Meadows carry them. Owner Mel Roschelle of Potter Valley, Calif., has other ventures, which include agricultural and timberland in California and Idaho and grain, corn and wheat farming in Texas. He discovered north central Idaho on hunting trips starting about 15 years ago. Attempting to open a business like this in his home state would be "almost impossible" because of environmental regulations and attitudes about the wood products industry, Roschelle said. The business climate in Idaho is much friendlier, Roschelle said. U.S. Bank and the Clearwater Economic Development Association provided financing.

LATAH COUNTY

- The city of Moscow is looking into establishing an urban renewal district. Urban renewal districts allow an urban redevelopment authority to collect funds in an area through tax increment financing. The authority collects the difference between the initial valuation and the valuation after the property is developed, and the money is used to pay for infrastructure improvements.
- According to John Herkes local farmers just need a little economic motivation to grow oilseed crops in their fields. The 80-year-old Herkes, who is in the final stages of earning his doctorate in biological and agricultural engineering at the University of Idaho, said he is not asking farmers to stop growing wheat but rather to use oilseed crops — like canola or mustard — as rotation crops every third year in place of peas or lentils. He said research has shown using canola or mustard can increase the next wheat crop yield by 10 percent to 15 percent, and the rotation crop can be used to meet the farmer's fuel needs if it's used in the production of biodiesel. However, Herkes emphasized the continued importance of food crops and cautioned against turning too much valuable food-producing land over to fuel production. That would just lead to more imports of food rather than fuel. Jack Silzel, Washington state executive director for the Farm Service Agency and retired Whitman County farmer, said farmers had to set aside grazing land for horses in the early days of farming on the Palouse. Putting aside land for fuel production would be a similar situation. "Maybe we are going back to that, only now we are feeding tractors rather than horses," Silzel said. "People are beginning to think they are going to have to grow a portion of their fuel if they can make the economics work."
- The Federal Aviation Administration has given Pullman-Moscow Regional Airport officials the green light on their estimated \$42.5 million runway project. Airport Manager Robb Parish said the new 6,700-foot runway will provide a better instrument approach, which amounts to an easier approach and allows pilots to land aircraft in reduced visibility. The new run-

way also will bring the airport up to current aviation standards for larger planes and jets and open up airport land for business development.

NEZ PERCE COUNTY

- Potlatch Corp. had its strongest financial performance in the third quarter of 2007 since its conversion to a real estate investment trust 22 months ago. Potlatch made \$41 million on revenues of \$436 million, according to a news release. All manufacturing segments with operations in Lewiston made money. Potlatch is the largest private employer in north central Idaho and southeastern Washington. Pulp and paperboard contributed \$17.6 million and consumer products \$5.1 million in operating income to Potlatch's third-quarter earnings while wood products had \$2.4 million in operating income. Paperboard pricing is strong in the high-end folding carton market Potlatch serves. High demand and the weak U.S. dollar are prompting European and Asian customers to buy in larger volumes. And Potlatch is continuing to make even more improvements at the plant in Lewiston. "We're just in the process of completing a very extensive new chip screening system, which we think will improve the yield on the chips and the raw material costs, which are the largest source of our costs in the facility," said Mike Covey, Potlatch's chief executive officer. Potlatch's wood products segment is withstanding a slump in housing starts through its diversification in specialty products such as cedar siding and decking.
- Weyerhaeuser Co., one of the world's largest lumber and paper producers, expects that mothballing three of its North American plants will cost between \$47 million and \$63 million. Weyerhaeuser said last month it would indefinitely close two Canadian oriented strand board plants, plus a laminated strand lumber plant in Deerwood, Minn., before the end of 2007 because of weak customer demand amid the ongoing slump in the North American housing market. Oriented strand boards, or layers of wood chips glued together, are used for floors, roofs and walls in home construction.
- Lewis-Clark State College has announced it will build its new \$16 million, 53,000-square-foot nursing building on the large lawn north of the Talkington residence hall. The Legislature funded the building earlier this year to help address the state's nursing shortage. When the building is complete, it will double the school's nursing education capacity. Ground-breaking is scheduled for March, and construction should be completed by the fall 2009 semester.

See page 31 for the north central Idaho labor force and nonfarm jobs data table for October 2007.

Doug Tweedy, Regional Economist
1158 Idaho St., Lewiston, ID 83501
(208) 799-5000 ext. 3511
E-mail: doug.tweedy@labor.idaho.gov

North Central Idaho Data — October 2007

Lewiston MSA Labor Force & Employment — Nez Perce County, Idaho, and Asotin County, Wash.

	Oct 2007*	Sep 2007	Oct 2006	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	29,590	29,930	29,120	-1.1	1.6
Unemployment	980	910	1,140	7.7	-14.0
% of Labor Force Unemployed	3.3	3.0	3.9		
Total Employment	28,610	29,020	27,980	-1.4	2.3
<i>Unadjusted</i>					
Civilian Labor Force	29,430	29,660	28,810	-0.8	2.2
Unemployment	830	760	940	9.2	-11.7
% of Labor Force Unemployed	2.8	2.6	3.3		
Total Employment	28,600	28,900	27,870	-1.0	2.6
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	27,600	27,500	27,240	0.4	1.3
<i>Goods-Producing Industries</i>	4,770	4,870	4,790	-2.1	-0.4
Natural Resources & Mining	210	220	250	-4.5	-16.0
Construction	1,570	1,630	1,430	-3.7	9.8
Manufacturing	2,990	3,020	3,100	-1.0	-3.5
<i>Wood Product Manufacturing</i>	530	540	550	-1.8	-3.6
<i>Paper Manufacturing</i>	1,080	1,100	1,090	-1.8	-0.9
<i>Other Manufacturing</i>	1,380	1,380	1,460	0.0	-5.5
<i>Service-Providing Industries</i>	22,820	22,630	22,450	0.8	1.6
Trade, Transportation & Utilities	5,490	5,480	5,470	0.2	0.4
<i>Wholesale Trade</i>	670	680	650	-1.5	3.1
<i>Retail Trade</i>	3,560	3,560	3,620	0.0	-1.7
<i>Utilities</i>	90	90	90	0.0	0.0
<i>Transportation & Warehousing</i>	1,170	1,150	1,110	1.7	5.4
Information	410	410	430	0.0	-4.7
Financial Activities	2,070	2,070	2,080	0.0	-0.5
Professional & Business Services	1,630	1,650	1,590	-1.2	2.5
Education & Health Services	4,510	4,490	4,330	0.4	4.2
Leisure & Hospitality	2,520	2,560	2,510	-1.6	0.4
Other Services	1,180	1,160	1,130	1.7	4.4
Government Education	2,290	2,150	2,230	6.5	2.7
Government Administration	1,960	1,890	1,990	3.7	-1.5
Government Tribes	760	780	690	-2.6	10.1

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month